

Attention prospective home buyers and sellers! Rockford Area Realtors in cooperation with the City of Rockford present the 2011 Real Estate Boot Camp – an indispensable informational event for buyers and sellers looking to make the right move in the current economy!

# 2011 REAL ESTATE BOOT CAMP

FREE CHANCE TO WIN A HOME!

## THIS NO-SALES-PRESSURE EVENT WILL FEATURE:

### WIN A HOME!

Get a free chance for our home giveaway! Adults 18+ who aren't a current homeowner are eligible (see homebuyer requirements for more stipulations). One free chance with every mini seminar you attend.

### REALTOR "SPEED DATING"!

4-minute one-on-one sessions with Realtors and lenders, so you can get answers to your most pressing home-buying questions!

### FIRST-TIME HOMEBUYER PANELS!

First-time homebuyers tell us what they wish they knew before they started the home buying process.

### HALF-HOUR MINI SEMINARS!

*Why buy now?*

*How to sell a home in a buyer's market*

*Housing incentive programs*

*Creative financing and credit clean-up strategies*

*What to expect with a foreclosed property and short sale*

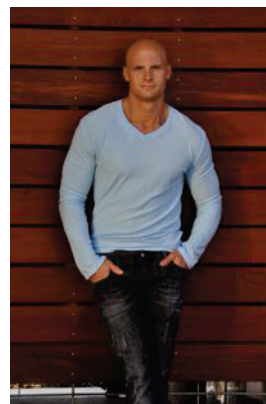
*10 steps in the home buying process*

*Real estate investment in a down economy*

### REAL ESTATE ROAD TRIP!

Find out what to look for in a prospective home when you, other homebuyers and a Home Inspector take a quick trip to the home we're giving away at 948 Grant Avenue.

### CHIP WADE FROM HGTV! NEW!



Two great sessions with the fabulous Chip Wade. A noon "Curb Appeal" walking tour of the Signal Hill neighborhood with great ideas to make the most of your home's

appearance. And a closing talk on "Designed to Sell" at 3 pm at the Rockford Woman's Club, 323 Park Avenue. Chip shares top selling secrets and strategies for getting your house to sell. Sponsored by Al's Carpet, seating is limited.



Homebuying and selling seminars for today's market, plus a home drawing.

**SATURDAY, APRIL 30**  
11 am to 4 pm

Come anytime!

11 am to 3 pm - Seminars

**GARRISON LOFTS** 1105 N. Court St.

3 pm - Keynote with Chip Wade

**ROCKFORD WOMAN'S CLUB** 323 Park Avenue



## CHANCE WINNERS (65)

## KEY WINNERS (up to 65)

## GRAND PRIZE WINNER

*One GRAND PRIZE WINNER will be the proud new owner of the single family home located at 948 Grant Avenue, Rockford, Illinois, 61103.*

**CHANCE WINNERS:** CHANCE WINNERS are individuals participating in various events prior to and during the 2011 Real Estate Boot Camp being held on April 30<sup>th</sup>. All CHANCE WINNERS will have an opportunity to become a KEY WINNER. Before becoming a KEY WINNER, each CHANCE WINNER must demonstrate they meet all the qualifications of a KEY WINNER and they must successfully complete the homebuyer classes provided through the Rockford Area Affordable Housing Coalition.

### CHANCE WINNER Qualifications:

- The CHANCE WINNER will not have owned a home in the last 3 years.
- The CHANCE WINNER will have a household income between \$19,200 and the maximum income limits indicated on the chart below.
- The CHANCE WINNER is willing to live in the home for 10 years if they are the GRAND PRIZE WINNER.

### Maximum Income Limits:

How many people will live in the home?	*Household Income Cannot Exceed:
1	\$53,350
2	\$60,950
3	\$68,600
4	\$76,200
5	\$82,300
6	\$88,400
7	\$94,500
8	\$100,600

\*Household income is the combined income of everyone living in the home over the age of 18 projected out over the next year. These limits are provided by the Department of Housing & Urban Development & subject to change.

**KEY WINNERS:** KEY WINNERS are qualified CHANCE WINNERS who meet all the KEY WINNER qualifications listed below. All KEY WINNERS will have an opportunity to become the GRAND PRIZE WINNER.

### KEY WINNER Qualifications:

- The KEY WINNER will demonstrate they met all the CHANCE WINNER qualifications.
- The KEY WINNER will be at least 18 years of age
- The KEY WINNER will be a current citizen of the United States of America.
- The KEY WINNER will successfully complete homebuyer classes provided through the Rockford Area Affordable Housing Coalition.
- The KEY WINNER will successfully pass a criminal background check.
- The KEY WINNER will have a Middle Credit Score of no less than 590.
- The KEY WINNER will demonstrate they have the ability to assume all local, state and federal taxes and transfer taxes associated with transferring of home. **Proof of payment of taxes shall be required before transfer of title can occur.** A W-9 form must be completed by the winner. Any withholdings applicable to the prize will be required at the time of transfer of such prize to the winner. The IRS requires that taxes on prizes valued at \$5,000 or more must be paid before prize distribution. Tax authorities may place a different value on the home for the purpose of determining any income, property, transfer, or other taxes that may be due from the Winner. Tax range: Winner is advised to consult a professional tax advisor. Financing options will be made available.

**GRAND PRIZE WINNER:** The GRAND PRIZE WINNER is a qualified KEY WINNER who's randomly selected key opens the door to 948 Grant Avenue.

### GRAND PRIZE WINNER Requirements:

- The GRAND PRIZE WINNER will reside at 948 Grant Avenue, Rockford, IL, as his/her primary residence, within 60 days of home transfer, where all legal documentation will be executed.
- The GRAND PRIZE WINNER will assume all local, state and federal taxes and transfer taxes associated with transferring of home. A W-9 form must be completed by the winner. Any withholdings applicable to the prize will be required at the time of transfer of such prize to the winner.

*The homebuyer assistance requirements listed here only summarize the requirements. For copies of the official Rules & Regulations of the 2011 Real Estate Boot Camp, Homebuyer Assistance Requirements during 10 Year Mortgage Loan Term, Note, Mortgage and Homebuyer Assistance Agreement, please contact Rockford Area Realtors at 815-395-6776 ext. 205.*

**City of Rockford**  
**Community & Economic Development Department**  
**Homebuyer Assistance Requirements during 10 Year Mortgage Loan Term**

*Failure to meet the homebuyer assistance requirements may cause the original and/or a portion of the principal balance to become due & payable. **The homebuyer assistance requirements listed below only summarize the requirements. For copies of the Note, Mortgage, and Homebuyer Assistance Agreement please contact the City of Rockford Community & Economic Development Department 815.987.5600.***

- A Homebuyer Assistance Agreement, Note & Mortgage will be executed at the time of closing (transfer of title) between the Rockford Area Association of Realtors and the winner.
- Principal Residence: The winner agrees to live in the home located at 948 Grant Avenue for ten (10) years, the term of affordability. Failure to meet this requirement, such as but not limited to using the property as a rental property, will cause the original principal balance, \$35,960.97, to be due and payable.
- Mortgage Amount: \$35,960.97. This principal balance is reduced by \$3,596.10, 1/10 of \$35,960.97, annually beginning with the first anniversary of the closing as long as all the terms described in the Note, Mortgage, and Homebuyer's Assistance Agreement are met.
- No criminal activity is allowed on the property and/or by any household members
- The winner must make sure the property meets the local code for 10 years
- The winner must pay for homeowners insurance for the property for 10 years
- The winner must pay the Real Estate Taxes due and payable annually
- The winner must pay all bills associated with the property, not allowing for liens to be filed against it. Liens include, but are not limited to mechanics liens and utility liens.
- The winner must notify the City of any major modifications to the property
- The winner must allow for City employees to inspect the property to ensure compliance during the 10 years term of affordability
- The winner must notify the City of any changes in ownership of the property
- If the winner pays off the principal balance prior to the term of affordability, the requirements of the original homebuyer assistance agreement still remain in force for the full ten (10) years.
- If the homebuyer should transfer title through sale, foreclosure, or transfer in lieu of foreclosure, the net proceeds shall be shared using the *Recapture Definitions & Formula* below. If there are no net proceeds, neither the homebuyer nor the City will receive proceeds from the closing and the homebuyer has satisfied the terms of the Note, Mortgage, and the Homebuyer Assistance Agreement.

**Recapture Definitions & Formula:** The information below further describes what is owed to the City at the time the property is sold by the winner to a new homebuyer if sold during the 10 year term of the agreement.

The City Investment/amount of forgivable mortgage loan is \$35,960.97.

The Winner Investment is \$0, the amount provided by the winner as evidenced by the HUD 1 Settlement Statement at time of closing.

The net proceeds are the sales price minus any superior loan repayment (loans other than assistance provided through the Program) and the closing costs incurred by the Homeowner at the time of sale.

Recapture Amount/Forgivable Mortgage Loan Payoff: The lesser of the “Amount payable to City” using the “Shared Net Proceeds Formula” below, which is not to exceed the initial City Investment, and the unforgiven loan amount.

Assumptions:

- Initial City Investment: \$35,960.97
- Initial Winner Investment (down payment): \$0
- Sales Price \$63,105 (the negotiated sales price between the winner and the new buyer)
- Sale occurring after the 3<sup>rd</sup> anniversary but prior to the 4<sup>th</sup> anniversary of the date on the legal documents when the winner was awarded the home (closing date/actual date of title transfer).
- Winner’s closing costs: \$1,500

Shared Net Proceeds Formula:

Sales Price	\$63,105.00
Minus closing costs	\$1,500.00
Minus 1 <sup>st</sup> mortgage payoff	\$0
<b>Total Net Proceeds</b>	<b>\$61,605</b>

Winner Investment		X Net Proceeds = Amount payable to Winner
City Investment + Winner Investment		

City Investment		X Net Proceeds = Amount payable to City
City Investment + Winner Investment		

Calculating “Amount payable to Winner” and “Amount payable to City” using assumptions above:

\$0		
\$35,960.97	X \$61,605 = \$0 (Amount to Winner)	

\$35,960.97		
\$35,960.97	X \$61,605 = \$61,605 (Amount to City)	

To calculate the unforgiven loan amount: The City forgives 10%, or \$3,596.10, of the City investment annually. If three (3) anniversaries have passed, \$10,788.30 (3 X \$3,596.10) will have been forgiven. This makes the unforgiven loan amount \$25,172.67 (\$35,960.97 - \$10,788.30).

**Based on the assumptions above the Recapture Amount/Forgivable Mortgage Loan Payoff would be \$25,172.67.**

**RULES AND REGULATIONS OF 2011 REAL ESTATE BOOT CAMP  
& CHANCE TO WIN HOME** *(subject to change)*

The Rockford Area Realtors have partnered with the City of Rockford in awarding a home to one lucky person/family. The names of 65 individuals (*Chance Winners*) (*winner definitions listed below*) will be selected from the pool of participants of the “2011 Real Estate Boot Camp” and each will win a chance at receiving a home with a 10-year forgivable loan. *Key Winners* will be selected, based on the below criteria, and each will be given a key that may open the door to their new home. Below are the **General Regulations** that apply to this home giveaway and the **Winner Requirements** that must be met for the Grand Prize.

*Grand Prize Description: Residential property located at 948 Grant Avenue, Rockford, Illinois, 61103.*

**GENERAL REGULATIONS**

- 1) No purchase is necessary to register.
- 2) All participants understand and agree that their name and/or photo may be used in media coverage.
- 3) All prizes associated with this event are non-transferable and non-refundable.
- 4) No warranties, express or implied, are made or offered of the Rockford Area Association of REALTORS® and/or the City of Rockford.
- 5) The home is transferred to winner “as is”, with no guarantees from the Rockford Area Association of REALTORS® and/or the City of Rockford or any other individuals or entities associated with this drawing.
- 6) The Rockford Area Association of REALTORS® and the City of Rockford do not guarantee that the home will be able to be re-sold at any specific value. *(See mortgage requirements for re-sale clause)*
- 7) Members and employees of the Rockford Area Association of REALTORS® and immediate families of both are not eligible to win the Grand Prize or any prize associated with this event.
- 8) Employees of the City of Rockford can participate in the prize give-away unless they exercise or have exercised any functions or responsibilities with respect to the federal program Neighborhood Stabilization Program or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain financial interest or benefit from an assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to the activity, or with respect to the proceeds of the activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.
- 9) If any Chance Winner can not be located within 10 days, after exhausting all reasonable attempts to do so, such Chance Winner will be deemed to have forfeited his or her Chance.
- 10) An Agreement of Transfer, as presented, between the Official Winner of the drawing and the Rockford Area Association of Realtors must be executed within forty-five (45) days following notice of award.
- 11) By entering the drawing, each participant releases any employees, directors, officers of the Rockford Area Association of REALTORS® and the City of Rockford and any other individuals or entities associated with this drawing from any and all liability for injuries, losses or damages of any kind caused by any prize or resulting from acceptance, possession, use or misuse of any prize, and each winner agrees to indemnify and hold the above named parties harmless from any losses, damages, rights, claims and actions of any kind arising in connection with or as a result of the winner’s acceptance or use of any prize.
- 12) All personal information collected will be used for administration of the drawing. The Rockford Area Association of REALTORS and the City of Rockford will not share, sell, or otherwise distribute personal information collected by sponsor.
- 13) The Rockford Area Association of REALTORS and the City of Rockford reserves the right to add any other terms, conditions, and/or limitations that may apply provided proper notice is given to the winner.

## GENERAL REQUIREMENTS OF KEY WINNERS & OFFICIAL WINNER

- 1) Winners do not need be present to win. Winners will be notified by U.S. mail or phone.
- 2) The Rockford Area Affordable Housing Coalition will execute and control the approval process to determine the final Key Winners.
- 3) A background check will be conducted on all Key Winners.
- 4) Official Winner of house give-away must be at least **18 years** of age or older and a current citizen of the U.S.A.
- 5) Official Winner will be selected from eligible Key Winners.
- 6) Official Winner can not be a current home owner.
- 7) Official Winner will assume all local, state and federal taxes and transfer taxes associated with transferring of home. ***Proof of payment of taxes shall be required before transfer of title can occur.*** A W-9 form must be completed by the winner. Any withholdings applicable to the prize will be required at the time of transfer of such prize to the winner. The IRS requires that taxes on prizes valued at \$5,000 or more must be paid before prize distribution. Tax authorities may place a different value on the home for the purpose of determining any income, property, transfer, or other taxes that may be due from the Winner. Tax range: Winner is advised to consult a professional tax advisor. Financing options will be made available.
- 8) Official Winner must attend a homeownership class conducted by the Rockford Area Affordable Housing Coalition prior to transfer of home.
- 9) Official Winner must reside in home, as his/her personal residence, within 60 days of home transfer.

## FINANCIAL/MORTGAGE REQUIREMENTS OF HOMEOWNER

- 1) The annual combined gross household income of Key Winner, projected over the year, must be at least \$19,200. *(Equivalent to combined gross income of anyone **18 yrs.** + living in household on day of title transfer)* Maximum income limits are applicable.
- 2) The Middle Credit Score of Key Winners must be no less than 590.
- 3) “Forgiven Loan”\* requirements are applicable. *(To include but not limited to number #4) (Requirements available under separate document)*
- 4) Once homeownership begins, any criminal activity occurring during the 10 year “forgiven loan” term that threatens the health, safety, or right to peaceful enjoyment by other persons residing in the immediate vicinity of the premises; or any drug related criminal activity on or near such premises, engaged in by the Mortgagor’s household, or any guest or other person under the Mortgagor’s control shall be a breach of the Owner Deferred Mortgage and the city can demand the remaining portion of the forgiven loan.
- 5) Financial reporting of “Forgiven Loan” activity is required and reports are made public. Financial records involving loan recipients home transaction will be available to the U.S. Department of Housing and Urban Development without further notice or authorization but will not be disclosed or released to another government agency or department without recipients consent except as required or permitted by law.

### *Definitions of Winners:*

*Chance Winners- Individuals selected from the pool of event participants who will win a chance at receiving a key.*

*Key Winners- Those who have met all of the criteria and have been selected for the final round to receive a key that may open the lock to the home.*

*Official Winner- Individual who has met all of the requirements and receives the original key that fits the lock to the home.*

*\*The principle balance of the ten (10) year forgivable mortgage loan is forgiven 10% annually until the principle balance is zero. There are not monthly payments and repayment is only necessary if the terms of the loan have not been met.*